

AMENDED IN SENATE APRIL 8, 2010

SENATE BILL

No. 1000

Introduced by Senator Correa

February 9, 2010

An act to add Section 2951 to the Civil Code, relating to mortgage appraisals.

LEGISLATIVE COUNSEL'S DIGEST

SB 1000, as amended, Correa. Mortgages and deeds of trust: portable appraisals.

Existing law governs mortgages and deeds of trust on real property.

This bill would provide that, except as otherwise provided by federal law, if a person has applied to a lender for a loan secured by a mortgage or deed of trust on owner-occupied residential real property and he or she provides to that lender a copy of a previously completed appraisal of the same residential real property that is the subject of the loan application and that appraisal meets specified criteria, that appraisal shall be accepted by that lender for purposes of determining whether to approve the loan application. This provision would also prohibit the lender from requiring the loan applicant to obtain a new appraisal of the property as a condition of approval of the loan. *These requirements would not apply under a specified circumstance.*

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 2951 is added to the Civil Code, to read:

1 2951. (a) Except as otherwise provided by federal law, if a
2 person has applied to a lender for a loan secured by a mortgage or
3 deed of trust on owner-occupied residential real property in this
4 state, and he or she provides to that lender a copy of a previously
5 completed appraisal of the property that meets the requirements
6 set forth in subdivision (b), both of the following shall apply:

7 (1) The appraisal shall be accepted by that lender for purposes
8 of determining whether to approve the loan application.

9 (2) The lender may not require the applicant to obtain a new
10 appraisal of the residential real property as a condition of approval
11 of the loan.

12 (3) *For the purpose of this subdivision, “provides” means that*
13 *the applicant has the appraiser supply the appraisal to the lender.*
14 *The appraiser may charge a fee to cover the actual cost of*
15 *supplying the appraisal but in no case shall the fee exceed ten*
16 *dollars (\$10).*

17 (b) An appraisal described in this subdivision shall comply with
18 all of the following:

19 (1) The appraisal shall be in compliance with the standards of
20 the Uniform Standards of Professional Appraisal Practice.

21 (2) The appraisal shall be an appraisal of the same residential
22 real property that is the subject of the loan application described
23 in subdivision (a).

24 (3) The appraisal shall have been completed not more than——
25 *three* months prior to the date of the loan application described in
26 subdivision (a).

27 (c) *The requirements set forth in this section shall not apply if*
28 *the lender does not require the applicant to pay for the preparation*
29 *of a new appraisal.*